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August 19, 2005

The Honorable Kent A. Jordan
United States District Court
844 King Street
Wilmington, DE 19801

Re: Wayne Van Scoy v. Kurt Van Scoy, et al.
C.A. No. 05-108-KAJ

Dear Judge Jordan:

We represent defendant Kurt Van Scoy, his wife defendant Donna Van Scoy and their subchapter S corporation Van Scoy Diamond Mine of Delaware, Inc. in this matter. We submit this letter in furtherance to our letter of earlier in the week and pursuant to the court's 26 April 2005 scheduling order to provide an interim status report.

Like all family feuds, this case involves strong feelings and heated emotions on both sides. Counsel for plaintiff Wayne Van Scoy has taken the deposition of his younger brother, defendant Kurt Van Scoy and we, as counsel for defendant Kurt Van Scoy, have taken the deposition of the older brother plaintiff Wayne Van Scoy.

Additionally, plaintiff Wayne Van Scoy seeks to take the deposition of his sister-in-law, Kurt Van Scoy's wife, defendant Donna Van Scoy; the parties are currently trying to find a mutually convenient date for that deposition. Defendant Kurt Van Scoy cannot take the deposition of his older brother Wayne Van Scoy's wife; older brother plaintiff Wayne Van Scoy is not married.

The parties did agree to a protective order which was entered by the Court on 6 May, early in the proceedings. At the time, defendants Mr. and Mrs. Kurt Van Scoy believed the protective order would be workable and adequate. However, with service of discovery requests seeking Mr. and Mrs. Kurt Van Scoy's personal financial records, given the heated feelings that have developed in the course of this litigation between defendant Kurt Van Scoy and his older brother plaintiff Wayne Van Scoy, defendants Kurt and Donna Van Scoy now believe that their financial records are being sought by their brother/brother-in-law to harass and to embarrass Mr. and Mrs. Kurt Van Scoy and to provide plaintiff older brother Wayne Van Scoy with insight as

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to Kurt and Donna Van Scoy's success in running their jewelry business in Newark, Delaware. This especially seems to be the case since plaintiff Wayne Van Scoy admitted during his deposition two days ago that customers for his jewelry store (located in Wilkes-Barre, Pennsylvania) reside almost exclusively in Luzerne County, in and around Wilkes-Barre, Pennsylvania, whereas defendants Kurt and Donna Van Scoy have their jewelry store in Newark, Delaware and serve customers largely residing in that area. Counsel for the parties having tried, but having been unable to resolve this issue of the protective order and personal financial information of Mr. and Mrs. Van Scoy, defendants Kurt and Donna Van Scoy are moving either today or Monday for relief on this issue.

Plaintiffs withheld from their 2 May service of their initial disclosures certain information on the grounds of confidentiality. Even though the protective order was entered on 6 May, it was not until 1 August, nearly three months later, that plaintiffs furnished the allegedly confidential portions of their initial disclosures, which they had withheld.

Additionally, there are outstanding issues between the parties respecting the answers, or lack thereof, provided by plaintiff to over fifty requests for admissions served by defendants and further issues regarding plaintiff failing to provide correlation of nearly one-third of the produced documents to the categories set forth in defendants' document production requests. Defendants' counsel does not wish to burden the court with these issues until all other possible avenues to secure the required information from plaintiff have been explored.

Respectfully submitted,

Fox Rothschild LLP

By: /s/ Sharon Oras Morgan

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